

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Nelson and Rose Ann Vargas

Case Number: 02-07415

Names of the Respondents

Citigroup Global Markets, Inc.
f/k/a Salomon Smith Barney, Inc.
Robert Katzman

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Associated Person

REPRESENTATION OF PARTIES

For Nelson and Rose Ann Vargas ("Vargas"), hereinafter referred to as "Claimants": John T. Getz, Esq., Feldman & Getz, LLP, North Miami Beach, Florida.

For Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney, Inc. ("CGMI") and Robert Katzman ("Katzman"), hereinafter referred to as "Respondents": Richard L. Martens, Esq. and Jason S. Haselkorn, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: December 4, 2002.

Claimants signed the Uniform Submission Agreement: December 23, 2002.

Statement of Answer filed by Respondents on or about: February 25, 2003.

Respondent CGMI signed the Uniform Submission Agreement: January 20, 2004.

Respondent Katzman did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: 1) violation of Florida Statutes Section 517; 2) breach of contract; 3) negligence; 4) breach of fiduciary duty; 5) violation of industry rules, regulations, customs and practices; 6) misrepresentations and omissions of pertinent information; 7) respondeat superior; and 8) negligent supervision, hiring and retention of employees. The causes of action relate to the purchase of shares of stock of Global Crossings, AT&T, Agilent Technologies, AMGEN, CISCO, DELL, EMC, INTEL, LUCENT, NU Horizons Electronics, ORACLE, SUN and TYCO.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages of \$250,000.00, plus interest at the legal rate from the date of purchase, or reasonable market return, punitive damages, attorney's fees, the costs of this proceeding and such other relief as is deemed just and proper.

Respondents requested that all claims against them be dismissed and that all costs be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Katzman did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, is bound by the determination of the undersigned arbitrators (the "Panel") on all issues submitted.

This matter was settled by the parties prior to a final arbitration hearing. Prior to settlement, Claimants dismissed Respondent Katzman. Further, the confidential settlement agreement between the parties provides for the expungement of Respondent Katzman's CRD records. A Stipulation to Dismiss and Expunge Respondent Katzman's CRD records was filed with NASD Dispute Resolution.

On or about February 10, 2004, Claimants advised NASD Dispute Resolution that they were dismissing their claims against Respondent Katzman with prejudice.

On or about March 16, 2004, the parties submitted a Stipulation to Dismiss and Expunge wherein the parties agreed that this proceeding be dismissed with prejudice and requested that all references to this matter be expunged from the NASD Central Registration Depository ("CRD") records of Respondent Katzman.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, and the Stipulation to Dismiss and Expunge Respondent Katzman's CRD Records, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's withdrawal of their claims against Respondents with prejudice is accepted and Respondents are dismissed from this matter.
2. The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Katzman's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Katzman must obtain

confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Citigroup Global Markets, Inc. is a member firm and a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

Adjournment Fees

No adjournments were granted during these proceedings for which fees were assessed.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$1,125.00 = \$1,125.00

Pre-hearing conference: June 26, 2003 1 session

Total Forum Fees = \$1,125.00

The Panel has assessed \$562.50 of the forum fees jointly and severally to Claimants.

The Panel has assessed \$562.50 of the forum fees jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative fees were incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$ 862.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent CGMI is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 562.50

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

<i>Gerald Silverman, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>William Kent Brown</i>	-	<i>Public Arbitrator</i>
<i>Benham M. Fuhrman, CFP</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/s/
Gerald Silverman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
William Kent Brown
Public Arbitrator

Signature Date

/s/
Benham M. Fuhrman, CFP
Non-Public Arbitrator

Signature Date

June 14, 2004

Date of Service (For NASD Dispute Resolution office use only)

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative fees were incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 562.50</u>
Total Fees	= \$ 862.50
<u>Less payments</u>	<u>= \$ 862.50</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent COMI is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 562.50

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Gerald Silverman, Esq.	-	Public Arbitrator, Presiding Chairperson
William Kent Brown	-	Public Arbitrator
Benham M. Fahrman, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Gerald Silverman
Gerald Silverman, Esq.
Public Arbitrator, Presiding Chairperson

6/9/04
Signature Date

W. K. Brown
William Ken Brown
Public Arbitrator

6/11/04
Signature Date

Benham M. Fuhrman, CFP
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

William Kent Brown
Public Arbitrator

Signature Date

Benjamin M. Fehrmann
Benjamin M. Fehrmann, CFP
Non-Public Arbitrator

6/9/04
Signature Date

Date of Service (For NASD Dispute Resolution office use only)